



WASHINGTON STATE
GAMBLING COMMISSION

Field Operation Rule Interpretation

Question: What are the deposit requirements of player-supported jackpot funds?

CITE: WAC 230-40-608 (6) Monthly Reconciliation of the PSJ account to the bank statement and transfer to PSJ funds

SUMMARY

Issue:

Licensees may pay PSJ prizes from funds in the cashier's cage. However, if this results in excess funds accumulating in the PSJ account, due to funds owed to the general account for prizes paid from the cage, the excess must be transferred out of the PSJ account prior to the required monthly reconciliation. The balance in the PSJ account per the PSJ Prize Fund Accrual record must reconcile to the balance in the PSJ bank account. There can be no IOU's to the general account as part of the reconciliation.

Reasoning:

The licensee acts only as a custodian of PSJ funds and maintain no legal right to the funds. The commission has adopted strict recordkeeping and internal control requirements to ensure PSJ funds are properly accounted for. Each licensee is required to maintain a bank account for holding PSJ funds separate from all other accounts for purposes of depositing PSJ funds. No expenditures will be made from the receipts until first deposited with the exception of prizes paid and only PSJ receipts shall be deposited into the account.

Decision:

WAC 230-40-608(6) states that at the end of the month, the account balance per the bank statement will be reconciled to the PSJ fund balances. The reconciliation must be kept as part of the required daily records. In order to prevent a build up of excess funds in the PSJ account for prizes paid from the cage, and to ensure accountability of the player's funds, all excess funds must be transferred out of the account prior to the monthly reconciliation.

Approved:

Cally Cass
Cally Cass, Assistant Director
Washington State Gambling Commission

Date:

6/24/05